INFORMATION LETTER

Not for Publication — NATIONAL CANNERS ASSOCIATION — For Members Only

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Use of Liquid Sugar Found To Cut Costs of Processing

Liquid sugar is more economical than dry sugar for many industrial food processors whose sugar requirements exceed 200,000 pounds a year, according to the Production and Marketing Administration, USDA.

The finding is based on research into marketing and use of liquid sugar in industrial food plants. It was found that the in-plant savings resulting from use of liquid sugar are highly variable and range from a few cents to as much as $16 a ton. The average is $2.91 a ton. Elimination of the need to handle bagged sugar and to prepare syrup from dry sugar for wet-ingredient processes is the principal source of savings. Liquid sugar is delivered into tanks at the user's plant and piped to the point of use, with little labor expense.

The savings resulting from the use of liquid sugar were found by PMA to depend on several factors: Elimination of processing steps, labor savings in processing, and lower sugar purchase prices. Conversely, higher freight costs for liquid sugar tend to reduce the savings effected, and for points distant from supply sources, to eliminate savings entirely, PMA said.

Liquid sugar was found to be usable in all the major categories of industrial use—by bakers, bottlers, confectioners, syrup blenders, fountain extract makers, dairy plants, ice cream and sherbet manufacturers, canners, freezers, and condiment and sauce manufacturers. However, liquid sugar cannot readily be substituted for dry sugar in dry ingredient processes; nor in processes where excess moisture is detrimental, such as soft fruit proc-

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Legislative Summary

The history and current status of selected legislation of interest to the canning industry is presented in a "Legislative Summary—First Session, 83rd Congress" on page 264.

Convention Room Requirements

Reservation forms for rooms at the 1954 Convention were mailed this week to N.C.A. members with the request that they be filled out promptly and returned not later than September 15 to R. F. Alexander, National Canners Association, 1133 20th Street, N. W., Washington 6, D. C., who again is handling room assignments.

The 1954 Convention will be held in Atlantic City, January 23-28.

In his letter accompanying the mailing of room reservation forms, Secretary Campbell pointed out that the 1954 Convention again brings together canners, brokers, buyers, and suppliers at the same time in fulfillment of the express wishes of the N.C.A. membership.

The housing situation accordingly will be very acute, and it is earnestly requested that each member do his part to help relieve the critical situation by (1) utilizing double rooms for double occupancy, (2) reducing the number of requests for single rooms, (3) withholding requests for parlor facilities unless actually essential, and (4) holding all requirements to a minimum.

The N.C.A. has been allotted the Traymore, Shelburne, and Ritz-Carlton Hotels. In addition, the N.C.A. will use the following hotels jointly with the N.F.B.A. and C.M.&S.A.: Breakers, Brighton, Chelsea, Columbus, Lafayette, Jefferson, and President.

As in the past, reservations for members will be made by room numbers, the N.C.A. advising the hotel of

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Vegetables for Processing—Indicated Production

The indicated 1953 production of six important vegetables for commercial processing is 9 percent below 1952 but 7 percent above the average for the preceding 10 years, the Bureau of Agricultural Economics reported on August 11. These six crops are snap beans, contract cabbage for kraut, sweet corn, peas, winter and spring spinach, and tomatoes.

The total tonnage of these crops, for which prospective production is estimated from August 1 conditions, is 5.35 million tons compared with 5.90 million tons for 1952 and a 1942-51 average of 5.01 million tons. These six crops usually account for nearly 90 percent of the total tonnage of the 11 processing vegetables for which the Bureau makes estimates.

For the country as a whole, the August 1 condition of green lima beans, beets for canning, and cucumbers for pickles is each above last year and average. The condition of the pimiento crop is above last year but slightly below average. Excessive moisture during July was detrimental to the Georgia pimiento crop.

The first estimate of 1953 production for green lima beans for canning and freezing, beets for canning, and pimientos will be issued September 10.

Following is the condition of four other important vegetables for processing on August 1, as reported by BAE:

Vegetable Crop	10-year ave. Aug. 1, 1942-51	Aug. 1, 1952	Aug. 1, 1953
	(*percent of "normal"*)		
Green lima beans	93.9	89.2	91.5
Beets	86.6	76.3	88.6
Cucumbers for pickles	80.6	81.3	85.6
Pimientos	78	59.1	75.8

BAI Establishes Standards for Corned Beef Hash

The Bureau of Animal Industry, USDA, has issued a definition and standard of identity for corned beef hash.

The order was published in the *Federal Register* of August 11 and will become effective 30 days after publication.

The text of the BAI order is published on page 262.

STANDARDS

Text of BAI Standards for Corned Beef Hash

Following is the text of the order of the Bureau of Animal Industry, USDA, establishing a definition and standard of identity for corned beef hash, as published in the *Federal Register* of August 11:

TITLE 9—ANIMALS AND ANIMAL PRODUCTS

Chapter I—Bureau of Animal Industry, Department of Agriculture

Subchapter A—Meat Inspection Regulations

PART 17—LABELING

PART 28—DEFINITIONS AND STANDARDS OF IDENTITY

CORNED BEEF HASH

On June 3, 1953, there was published in the *Federal Register* (18 F. R. 3173) a notice of proposed amendments of the regulations governing the meat inspection of the United States Department of Agriculture (9 CFR Chapter I, Subchapter A, as amended). After due consideration of all relevant matters submitted in connection with the notice, the Secretary of Agriculture, pursuant to the authority conferred upon him by the Meat Inspection Act, as amended (21 U. S. C. 71-91), and section 306 of the Tariff Act of 1930 (19 U. S. C. 1306), hereby amends the aforesaid regulations as follows:

1. Subparagraph (29) of paragraph (c), § 17.8, is amended to read:

(29) Product labeled "hash" shall contain not less than 35 percent of meat computed on the weight of the cooked and trimmed meat. The weight of the cooked meat used in this calculation shall not exceed 70 percent of the weight of the uncooked fresh meat.

2. Part 28 is amended by adding the following section:

§ 28.2 *Corned beef hash; identity; label statement of optional ingredients.* (a) Corned beef hash is the semi-solid meat food product in the form of a compact mass which is prepared with beef, potatoes, curing agents, seasoning, and any of the optional ingredients listed under paragraph (b) of this section, in accordance with the provisions of subparagraphs (1), (2), (3), and (4) of this paragraph and the provisions of paragraph (c) of this section.

(1) Either fresh beef, cured beef, or canned corned beef, or a mixture of two or more of these ingredients, may be used, and the finished product shall contain not less than 35 percent of beef computed on the weight of the cooked and trimmed beef. The weight of the cooked meat used in this calculation shall not exceed 70 percent of the weight of the uncooked fresh meat.

(2) Potatoes refers to fresh potatoes, dehydrated potatoes, cooked dehydrated potatoes, or a mixture of two or more of these ingredients.

(3) Curing agents refers to either salt, sodium nitrate, sodium nitrite, potassium nitrate, or potassium nitrite, or a combination of two or more of these ingredients. When sodium nitrate, sodium nitrite, potassium nitrate, or potassium nitrite is used it shall be used in amounts not exceeding those specified in § 18.7 (k) of this subchapter.

(4) Seasoning refers to salt, sugar (sucrose or dextrose), spice, and/or flavoring, including essential oils, oleoresins, and other spice extractives.

(b) Corned beef hash may contain one or more of the following optional ingredients:

(1) Beef cheek meat and beef head meat from which the overlying glandular and connective tissues have been removed, and beef heart meat, exclusive of the heart cap, may be used individually or collectively to the extent of 5 percent of the meat ingredient.

(2) Onions, including fresh onions, dehydrated onions, or onion powder.

(3) Garlic, including fresh garlic, dehydrated garlic, or garlic powder.

(4) Water.

(5) Beef broth or beef stock

(6) Monosodium glutamate.

(7) Hydrolyzed plant protein.

(c) The finished product shall not contain more than 15 percent fat nor more than 72 percent moisture.

(d) (1) The label shall bear the name "corned beef hash."

(2) When any ingredient specified in paragraph (b) (1) of this section is used, the label shall bear the following applicable statement: Beef cheek meat constitutes 5 percent of the meat ingredient, or beef head meat constitutes 5 percent of the meat ingredient, or beef heart meat constitutes 5 percent of the meat ingredient. When two or more of the ingredients are used the words "constitutes 5 percent of meat ingredient" need only appear once.

(3) Whenever the words "corned beef hash" are featured on the label so conspicuously as to identify the contents, the statements prescribed in subparagraph (2) of this paragraph shall immediately and conspicuously precede or follow such name without intervening written, printed, or other graphic matter.

The purpose of the foregoing amendments is to control the composition of "corned beef hash" along lines which have been thoroughly investigated by the officials who administer the Meat Inspection activities of the Department of Agriculture. The amendments which provide a definition and standard of identity for corned beef hash also permit simplified labeling which will allow the industry to omit ingredient labeling for this class of product.

The foregoing amendments make certain changes in the proposed amendments published in the *Federal Register* on June 3, 1953 (18 F. R. 3173). The last sentence of § 28.2 (a) (1) of the proposed amendments, prescribing the maximum amount of trimable fat which may be contained in beef used in the preparation of corned beef hash, has been deleted; paragraph (c) of § 28.2 has been redesignated as paragraph (d); and a new paragraph (c) added providing that the finished product shall not contain more than 15 percent fat nor more than 72 percent moisture. These changes are not substantial. The change in paragraphing is a matter of form. The change with respect to fat content has been made in order to set forth a more practical way of determining the fat content of the product. The amount of fat which corned beef hash may contain is substantially the same under the new paragraph (c) of § 28.2 as under the proposed amendments. The designation of the maximum moisture content in the finished product has been set forth in order to specifically define the phrase "semi-solid meat food product in the form of a compact mass" as used in the first sentence of paragraph (a) of § 28.2.

Section 28.2 (a) (3) has been changed to designate salt as an additional curing agent. Salt is widely used in the industry as a curing agent in the preparation of certain meat food products and the use thereof should be permitted under the regulations in the preparation of corned beef hash. This change is in the nature of a relief of restriction in that it authorizes the use of an additional optional curing agent.

Accordingiy, under section 4 of the Administrative Procedure Act (5 U. S. C. 1003), it is found upon good cause that further notice and public procedure with respect to the amendments are impractical, unnecessary, and contrary to the public interest.

(Ch. 2907, 34 Stat. 1264, sec. 306, 46 Stat. 689; 19 U. S. C. 1306, 21 U. S. C. 89.)

The foregoing amendments shall become effective 30 days after publication hereof in the *Federal Register*.

Done at Washington, D. C., this 6th day of August 1953.

[s] TRUE D. MORSE,
Acting Secretary of Agriculture.

MEETINGS

Canners and Fieldmen Schools

Following is a schedule of short courses for canners and fieldmen to be conducted cooperatively in 1954 by the state agricultural colleges and the state and regional canners associations:

Illinois—January 7-8, University of Illinois, Urbana

Indiana—February 2-5, Purdue University, Lafayette

Iowa—February 18-19, Iowa State College, Ames

Michigan—January 19-21, Michigan State College, East Lansing

Minnesota—February 3-4, Leamington Hotel, Minneapolis

New York—February 9-10, New York Experiment Station, Geneva

Ohio—February 15-16, Ohio State University, Columbus

Pennsylvania—February 3-5, Pennsylvania State College, State College

Wisconsin—February 10-11, University of Wisconsin, Madison

Use of Liquid Sugar

(Concluded from page 261)

essing and jelly making. Use of liquid sugar has expanded from 13 percent of total industrial sugar distribution in 1949 to 21 percent in 1952. It is estimated, however, that the potential market for liquid sugar in the United States is now less than 50 percent developed, according to PMA.

The possible economies and the factors affecting the use of liquid sugar and possible expansion of its use to the maximum market potential are discussed in detail in a report on the study, made by the Sugar Branch PMA. A copy of the report, "Marketing Liquid Sugar," (MMR 52) may be obtained from the Office of Information Services, PMA, USDA, Washington 25, D. C.

PERSONNEL

Libby Management Changes

Election of Charles S. Bridges as present and general manager of Libby, McNeill & Libby, succeeding the late Daniel W. Creeden, has been announced by the directors of that firm.

The directors also announce the election of William B. Traynor as a director and chairman of the board. A. O. Verbeke will succeed Mr. Bridges as vice president in charge of sales and advertising.

Mr. Bridges started with Libby in 1923 as a salesman in Norfolk, Va., became manager of the export sales department in 1938, and has been vice president in charge of sales and advertising since 1943. He was elected a director in 1947.

Mr. Traynor is a retired officer of Swift & Co. He served as a director of Libby from 1931 to 1941.

Mr. Verbeke has been a vice president of Libby since 1948 and was made a director in 1951. He has been in charge of the vegetable and canned meat departments and of the company's eastern canneries. From 1946 to 1948 he was export sales manager.

Forthcoming Meetings

September 27-30—National Association of Food Chains, Annual Meeting, Palmer House, Chicago

October 2-6—American Meat Institute, Annual Meeting, Palmer House, Chicago

October 15-17—Florida Canners Association, Annual Meeting, Casa Blanca Hotel, Miami Beach

October 26—Texas Canners Association, Annual Convention, Casa de Palmas Hotel, McAllen

October 26-27—National Pickle Packers Association, Annual Meeting, The Drake Hotel, Chicago

November 2—Illinois Canners Association, Fall Meeting, Chicago

November 6—Ozark Canners Association, Fall Meeting, Colonial Hotel, Springfield, Mo.

November 9-10—Wisconsin Canners Association, 49th Annual Convention, Schroeder Hotel, Milwaukee

November 9-10—Michigan Canners Association, Fall Meeting, Pantlind Hotel, Grand Rapids

November 9-11—Grocery Manufacturers of America, Inc., Annual Meeting, New York City

November 12-13—Iowa-Nebraska Canners Association, Annual Convention, Hotel Fort Des Moines, Des Moines

November 19-20—Indiana Canners Association, Annual Convention, French Lick Springs Hotel, French Lick Springs

November 23-24—Pennsylvania Canners Association, 39th Annual Convention, Penn Harris Hotel, Harrisburg

December 3—Minnesota Canners Association, Annual Convention, St. Paul Hotel, St. Paul

December 3-4—Tri-State Packers Association, Inc., 50th Annual Meeting, Haddon Hall, Atlantic City, N. J.

December 10-11—New York State Canners and Freezers Association, Inc., 68th Annual Convention

December 10-11—Ohio Canners Association, 46th Annual Convention, The Neil House, Columbus

January 4-6—Northwest Canners Association, Annual Convention, Multnomah Hotel, Portland, Ore.

January 7-8—Canners League of California, Annual Fruit and Vegetable Sample Cutting, Hotel Fairmont, San Francisco

January 7-8—Illinois Canners Association and Illinois State Agricultural Experiment Station, Canners and Fieldmen's Short Course, University of Illinois, Urbana

PUBLICITY

Pathfinder Magazine

In the August issue of *Pathfinder* magazine, one of the articles by Ann G. Sater, food editor, features many canned foods. Just recently the format of *Pathfinder* was changed to include more and longer articles about the home. Its articles are planned to be of particular interest to rural and small communities.

The article entitled "Whole Meals from Your Broiler" gives three suggested menus, with the preparation directions, for quick broiler meals. The following canned foods are featured: lima beans, pineapple, tomato juice, pears, corn, green beans, and shoestring potatoes.

Convention Room Requirements

(Concluded from page 261)

the room numbers assigned to the N.C.A. member, together with their arrival and departure dates, and sending duplicate of such notice to the member, who will then receive confirmation direct from the hotel.

In spite of the tight housing situation, the N.C.A. will make every effort to assign rooms in a hotel of the N.C.A. group that will as nearly as possible furnish the facilities requested. There is a possibility, however, depending on the demand, that rooms might have to be limited.

FOREIGN TRADE

United Kingdom Market

"United Kingdom Market for U. S. Agricultural Products," the third in a series of special studies appraising demand for United States farm products in foreign markets, has been issued by the Foreign Agricultural Service, USDA.

The new bulletin is pocket-size, with 73 pages, and contains statistical tables and illustrations. The bulletin is cited as Agriculture Information Bulletin No. 104. Copies are available from the Foreign Agricultural Service, USDA, Washington 25, D. C.

Earlier studies in the series were "Agriculture's Stake in Foreign Markets—Trends in U. S. Agricultural Exports" (Agriculture Information Bulletin No. 51) and "U. S. Farm Products in Foreign Trade" (Statistical Bulletin No. 112).

Legislative Summary—First Session, 83rd Congress

The first session of the 83rd Congress adjourned sine die August on 3, 1953, until January 6, 1954.

All legislation before either the Senate or House will remain in its status as of adjournment and will be subject to further consideration upon the convening of the second session.

The following describes the history and current status of selected legislation of interest to the canning industry:

Agricultural Policy

Congress took no action on agricultural policy legislation, but studies were begun as the basis for the development of a new farm program.

A grass roots survey of the thinking of farmers has been undertaken by the House Committee on Agriculture. The Committee already has traveled through the New England and Middle Atlantic areas and will visit the South, Midwest, and West during September, October, and November.

Antitrust Penalties

The House passed and sent to the Senate H.R. 2237, to increase from $5,000 to $50,000 the maximum penalty for violation of the Sherman Act. The bill is pending before the Senate Judiciary Committee.

Customs Simplification

The Customs Simplification Act of 1953 (P. L. 243) is designed to simplify administrative procedures governing imports and temporary entry of travelers.

Drawback—Among the customs procedures amended by P. L. 243 are those regulating drawback. The act extends from one year to three years the time in which imported duty-paid sugar or non-ferrous metals may be used in the manufacture of domestic articles, and extends from three years to five years the period in which the completed article may be exported—if drawback is to be applied for.

Other provisions of the act deal with effective dates of rates of duty, markings on imports, American goods returned, and similar administrative details.

Defense Production Act

In extending the Defense Production Act for two years—through June 30, 1955—Congress eliminated all authority for controls on prices or wages, and limited authority for materials controls to those required in the performance of defense contracts.

P. L. 95 authorizes the President to require performance under government contracts or orders. This is the authorization for set-aside orders on 1953 and 1954 canned food packs.

The act also continues provisions for loan guarantees by government agencies.

Export Marking: "United States of America"

S. Con. Res. 40 expresses the sense of Congress as favoring the placing of the inscription "United States of America" on containers of American-made goods for export.

Purpose of the legislation is to advertise and create good will abroad for products of American origin. Congress rejected legislation that would have made the marking mandatory; the concurrent resolution does not have the force of law.

FDA Exports

Representative Van Zandt (Pa.) introduced H. R. 4001 and Chairman Wolverton of the House Committee on Interstate and Foreign Commerce introduced H. R. 6550 to amend Section 801(d) of the Federal Food, Drug, and Cosmetic Act with respect to exports of food products.

Both bills would require that food for export must meet any applicable federal standard, unless its failure to meet domestic standards and regulations results from compliance with a corresponding foreign standard. The current proposals are pending before the House Committee.

Similar legislation failed to receive Senate approval after having been passed by the House in the 81st Congress.

FDA Factory Inspection

Legislation authorizing the Food and Drug Administration to enter and inspect canning plants and equipment was approved by Congress and signed by the President August 7 as P. L. 217.

The N.C.A.'s testimony in support of the measure before the House Committee on Interstate and Foreign Commerce was reproduced as a Supplement to the INFORMATION LETTER of May 23. Text of the bill was published in the INFORMATION LETTER of June 20, page 217. An analysis of the proposal and of the report of the House Committee was published in the INFORMATION LETTER of July 11, page 233.

FDA Standards-making Procedure

The House on July 30 passed and sent to the Senate the so-called Hale bill, H. R. 6434, to simplify the procedures by which food standards are issued and amended under the Federal Food, Drug, and Cosmetic Act. The bill was supported by both government and industry.

It was incorrectly reported in the INFORMATION LETTER last week that the bill had been passed by the Senate and sent to the President. The bill is before the Senate Committee on Labor and Public Welfare, which was unable to act on it prior to adjournment.

FDA Pesticide Residues

A subcommittee of the House Committee on Interstate and Foreign Commerce held a one-day hearing on the Miller bill, H. R. 4277, to establish a procedure by which the Food and Drug Administration may promulgate tolerances for pesticides in foods (see INFORMATION LETTER of July 11, page 233).

The N.C.A. requested the Committee to defer action on the bill until the Association's Special Committee on Chemical Additives completes a study of the proposal.

State of the Union

In his message to Congress on the State of the Union, on February 2, President Eisenhower recommended the following legislative actions of concern to the canning industry:

Agriculture—"The immediate changes needed in agricultural programs are largely budgetary and administrative in nature. New policies and new programs must await the completion of the far-reaching studies which have already been launched."

Controls—Termination of price and wage controls on April 30, 1953. "Material and product controls should be ended, except with respect to defense priorities and scarce and critical items essential for our defense."

Food and Drug Act—"The Food and Drug Administration should be authorized to continue its established and necessary program of factory inspection."

Foreign Trade—"Revising our customs regulations to remove procedural obstacles to profitable trade. I further recommend that the Congress take the Reciprocal Trade Agreements Act under immediate study and extend it by appropriate legislation."

Mexican Farm Labor Program

By P. L. 237, Congress approved a two-year extension—to December 31, 1955—of the law authorizing recruitment of Mexican nationals for employment in agriculture.

Reciprocal Trade Agreements Act

Congress approved a one-year extension of the trade agreements program and provided for a review and study of U. S. international trade policies and programs, as requested by the President.

P. L. 215 continues the President's authority to negotiate with other countries to reduce barriers to foreign trade but strengthens the law with respect to protecting domestic industries.

The 17-man Commission on Foreign Economic Policy, seven public members appointed by the President and five each from the Senate and House, must report within 60 days after the next regular session of the 83rd Congress is convened.

Congressional members of the Commission were appointed this week by the Vice President and the Speaker. They are:

Senators Millikin (Colo.), Hickenlooper (Iowa), Bush (Conn.), George (Ga.), and Byrd (Va.); and

Representatives Reed (N.Y.), Simpson (Pa.), Vorys (Ohio), Cooper (Tenn.), and Richards (S.C.).

Congress rejected proposals in bills offered by Representative Simpson (Pa.) to establish new standards by which domestic industries might obtain relief from imports and to impose quotas on imports of petroleum.

Renegotiation Act of 1951

The House passed H. R. 6287, to extend the Renegotiation Act of 1951 for one year—to December 31, 1954. The bill was reported by the Senate Committee on Finance and is on the Senate calendar for possible action at the next session.

H. R. 6287 would exempt "standard commercial articles" and would raise the exemption minimum from $250,000 in the 1951 Act to $500,000.

Reorganization of USDA

The U. S. Department of Agriculture was reorganized, effective June 4, under Reorganization Plan No. 2 of 1953 (see INFORMATION LETTER of June 6, page 201).

Proposals to reorganize USDA had been blocked by Congress in previous years. In the 83rd Congress, resolutions of disapproval were rejected by a vote of 46 to 29 in the Senate and 261 to 128 in the House.

Robinson-Patman Act

Three Senate bills and five House bills dealing with the good faith meeting of competition under the Robinson-Patman Act are pending before the Senate and House Judiciary Committees. Included in these proposals, on which public hearings may be held by these Committees during the current adjournment of Congress, are S. 540 (McCarran), S. 1357 (Kefauver), S. 1377 (Capehart), H. R. 635 (Walter), H. R. 3378 (Patman), H. R. 3501 (Reed of Ill.), H. R. 4170 (Walter), and H. R. 5848 (Patman).

Small Business Administration

A Small Business Administration, authorized to make loans not to exceed $150,000 each to small business, was created by P. L. 163. The act also provides for liquidation of the Reconstruction Finance Corporation (see INFORMATION LETTER of August 8, page 259).

Social Security Amendments

Approximately 180 bills to liberalize the earnings limitations on old-age pensioners under the Social Security Act are pending before a study subcommittee of the House Ways and Means Committee. The subcommittee, under the chairmanship of Representative Curtis (Nebr.), plans to hold hearings in November and to submit a report for full Committee action in the next session.

(The tax to be paid by employers and employees under social security will be increased to 2 percent for each group on January 1, 1954, under terms of P. L. 734, 81st Congress.)

Statehood for Alaska and Hawaii

Alaska—A bill providing statehood for Alaska was reported to the House and remains on the calendar for possible action at the next session. This measure, H. R. 2982, and a companion bill, S. 50, are before the Senate Committee on Interior and Insular Affairs, and a subcommittee plans to visit Alaska for statehood hearings this month.

Hawaii—H. R. 3575, providing statehood for Hawaii, was passed by the House on March 10 and is before the Senate Committee on Interior and Insular Affairs.

Submerged Lands

In two enactments, Congress defined ownership and control of the submerged lands and the continental shelf.

P. L. 31 affirmed title of the coastal states to submerged lands out to their "historic boundaries." P. L. 212 claimed title to underseas lands out to the continental shelf to the federal government and provided for leasing of oil resources.

Neither act affected control over the fisheries.

Tax Revision—Waste Disposal

The House Committee on Ways and Means plans to submit a general revenue revision measure for consideration at the next session of Congress. Hearings were commenced by the Committee on June 19 and will end soon. During this time the Committee will have taken testimony on 40 topics.

Included in the list of topics subject to possible change are the present tax rules dealing with depreciation and amortization. At Committee hearings on July 23, the N.C.A. presented a proposal to allow the rapid amortization of the cost of waste disposal facilities (see INFORMATION LETTER of July 25, page 243).

Trip-leasing of Trucks

The House passed and sent to the Senate H. R. 3203, prohibiting the Interstate Commerce Commission from limiting the duration of leases on trucks and the amount of compensation to be paid (see INFORMATION LETTER of July 3, page 229).

LABORATORY

Canners Technicians Schools

Two technicians schools for special training in the official Howard mold count were held this year as usual. A total of 106 students received training.

At the school conducted by the Indiana Canners Association, held at Purdue University, Lafayette, Ind., July 15-24, there were 72 students.

At the school conducted by the New York State Canners and Freezers Association, Inc., held at the experiment station at Geneva, N. Y., July 29-August 7, there were 34 students.

A new feature of the course at New York was a special session for factory superintendents and analysts. H. R. Smith spoke briefly on the background for the mold count school, the question of mold count in canned tomatoes, the recent fly-egg investigations, and the factory inspection amendment. V. S. Troy emphasized the responsibilities of the analyst and of factory management with respect to the mold counts in the factory. There followed a period of questions and answers which covered many phases of the tomato products industry. Twenty-eight factory superintendents were present.

Instruction at both schools was given by representatives of the N.C.A. Washington Research Laboratory and research departments of the American Can Company and the Continental Can Company.

STATISTICS

Business Indicators

The second quarter of 1953 closed with production, consumption and demand at peak levels. Total industrial production and total income were higher during the second quarter than during the first quarter and considerably above a year ago. On the other hand, agricultural income declined further because of lower prices and the drought conditions in the Southwest. Earnings reports for the first six months of 1953 indicate a general upward trend in both gross and net incomes of most corporations. Latest reports on July business activity indicate that it was down slightly from the peak reached in March but continuing at near-record levels. The initial reactions of the economy to the Korean truce appear to have been negligible.

The leading statistical indicators of business cycle changes have given further evidence that they have reached a peak in recent months, according to the American Institute for Economic Research.

Production

The market value of the nation's output of goods and services was up 3 percent in the second quarter over the first quarter of 1953. Total industrial production by the end of the second quarter was 18 percent higher than a year ago, but the production of manufactured food products was 2.4 percent less. The production of processed fruits and vegetables (seasonally adjusted) was estimated to be about 13 percent less in June of this year than a year ago. The actual average increase in June over May is about 20 percent for canned fruits and vegetables, but the increase for June of this year was only 9 percent above May.

		Percent change from	
	June, 1953	May, 1953	June, 1952
Industrial Production (1935–39=100)			
Total industry	241	+0.4	+18.1
Manufactured food products	162	−0.6	−2.4
Canned Fruits and Vegetables	140	−7.9	−13.1

Employment

Total employment in June reached an all-time peak. Unemployment at 2.4 percent of the civilian labor force was at the lowest postwar level for the month and compares with 2.8 percent a year ago. Employment in food processing industries and manufacturing was running generally well ahead of a year ago, with canning and preserving 3.6 percent above last year.

		Percent change from	
	Latest month	Month ago	Year ago
Employment (*thousands*)			
Civilian labor force	64,734	+2.8	+0.5
Total manufacturing	17,179	+0.7	+10.0
Canning and Preserving	144*	+9.1	+3.6

* May, 1953. Others June, 1953.

Sales and Inventories

The outstanding element in the sales and inventories situation is the healthy condition of the canning and preserving industry. Total processing inventories and manufacturing inventories have been heading upward during recent months. However, food manufacturing inventories and especially the canning and preserving inventories have shown a very healthy relationship to sales. The sales inventory ratio for the canning and preserving industry was 1.1 in June of 1953 compared with 2.3 a year ago. This means that in June a year ago the canning and preserving industry was holding inventories that were the equivalent of two to three months' sales. This year they were equivalent to one month's sales. This was the net result of inventories that were 12 percent under inventories of a year ago compared with June sales 89 percent above a year ago. The value of retail inventories in food stores was 3.3 percent under a year ago, while sales were up 3.4 percent, indicating that the movement from food manufacturing plants was not piling up at distributive levels. The following tabulation shows sales and inventories for the canning and preserving industry with comparisons:

		Percent change from	
	June, 1953	May, 1953	June, 1952
Sales and Inventories (*billion dollars*)			
Inventories:			
Total business	77.6	+0.9	+6.4
Manufacturing	45.5	+1.1	+6.1
Food and kindred products	3.2	−1.0	−8.8
Canning and Preserving	.4	+1.0	−12.1
Wholesale, total	10.4	+0.7	+5.1
Retail, total	21.7	+0.5	+7.6
Food stores	2.0	−2.5	−3.3
Sales:			
Total business	49.2	−0.3	+11.0
Manufacturing	26.1	−0.4	+19.2
Food and kindred products	3.5	−2.9	+9.3
Canning and Preserving	.4	−7.3	+89.0
Wholesale, total	8.6	−1.1	+1.5
Retail, total	14.5	+0.4	+3.6
Food stores	3.5	+1.1	+3.4

Prices

The general wholesale price index for all commodities continued to decline through the second quarter of 1953. Fresh fruits were one exception; the June prices averaged 15 percent above May and about 1.5 percent above a year ago. Canned fruit prices showed no change from May to June of this year but were about 5 percent above a year ago, while canned vegetable prices were about 1.4 percent below a year ago. However, during the month of July latest data indicated that the wholesale price index had started to rise again. By the end of July the all-commodity index stood at 110.5 compared with 109.4 for June. The wholesale price index for farm products had risen about 2 percent from June to July, processed foods about 1.5 percent, and other commodities 0.7 index points. Retail prices continued their rise in June, the fourth consecutive month in which there was a rise in the consumer price index. The retail index for all commodities was one percent above a year ago but for food the index was 0.8 percent lower.

		Percent change from	
	June, 1953	May, 1953	June, 1952
Wholesale: (1947–1949=100)			
All commodities	109.4	−0.4	−1.6
All foods	103.9	−0.2	−3.9
Farm products	95.3	−2.6	−11.1
Fruits, fresh	122.1	+15.4	+1.5
Vegetables, fresh	102.9	−1.4	−19.1
Fruits and Juices Canned	107.9	0	+5.0
Vegetables and Soups, Canned	104.1	−0.6	−1.4
Retail: (1947–1949=100)			
All commodities	114.5	+0.4	+1.0
All foods	113.7	+1.4	−0.8

Income and Expenditures

Disposable personal income continued its upward climb during the second quarter of 1953. Salaries and wages accounted for most of the increase. Farm income dropped during the second quarter, primarily as a result of the further decline in agricultural prices. Personal consumption expenditures increased about one percent in the second quarter but disposable personal income rose more with the result that personal savings increased and were about 28 percent above savings of a year ago. Total consumer credit, however, continued to increase, reaching a record high by the end of the second quarter, and represented almost 11 percent of disposable personal income.

	Second quarter 1953	Percent change from First quarter 1953	Percent change from Second quarter 1952
Income and Expenditures (*billion dollars*)			
Disposable personal income	247.7	+0.9	+6.9
Expenditures, nondurable goods	122.2*	+0.8	+3.6
Personal net savings	18.6*	+5.1	+28.3

* Estimated.

Business Failures

The 817 business failures in June were the second highest for that month since 1941, exceeded only in June, 1949. The failure rate rose to 35.8 compared with 31 a year ago but well below the 55 in June, 1941. Liabilities in June failures were practically the same as the high level established in May. They amounted to $32.4 million, 50 percent above a year ago and the most for any June since 1934. The sharpest rise in failures occurred in the $25,000 to $100,000 liabilities class where *mortalities reached a 20-year peak.* Increases from a month earlier occurred in all industry and trade groups but the outstanding increases were in construction with the highest number in any month on record and in retail trade where increases were the highest since 1950. Geographically, the greatest increases in failures over June a year ago occurred in the West-South Central states and the Pacific states where failures were, respectively, 250 percent and 147 percent over a year ago.

	June, 1953	Percent change from May, 1953	Percent change from June, 1952
Business Failures (*number*)			
All business	817	+17.2	+21.8
Manufacturing	141	−1.4	+14.6
Food and kindred products	16	0	+23.1

Snap Beans for Processing

Snap bean production prospects improved slightly during July and on August 1 a total of 269,150 tons was indicated, according to the Bureau of Agricultural Economics. This compares with a production of 239,930 tons in 1952 and an average of 232,200 tons for the 1942-51 period.

The August 1 indicated yield is 2.14 tons per acre. This compares with 2.08 tons obtained in 1952 and an average of 1.01 tons for the 1942-51 period. The yields indicated on August 1 for North Carolina and Tennessee are the highest on record for these states.

The August 1 production estimate showed an increase for the country as a whole of 1,700 tons, or one percent, above the July 1 estimate. However, some of the states showed significant changes. Major increases during the month of July occurred in New York, Michigan, North Carolina, Tennessee, Arkansas, and Washington. The following states showed significant declines from the July 1 estimates: Pennsylvania, Delaware, Maryland, Virginia, Oklahoma, and Utah.

Of the changes, the largest occurred in Maryland, where the August 1 production estimate is 4,400 tons below the July 1 figure, and the August 1 estimate for Tennessee is up 2,700 tons above July 1.

Following is the production indicated by August 1 conditions:

State	10-year ave. 1942–51 (*tons*)	1952 Revised (*tons*)	1953 Indicated (*tons*)
Maine	6,200	3,900	7,000
New York	34,300	51,300	53,100
Pennsylvania	7,700	9,000	9,900
Michigan	9,100	9,400	10,700
Wisconsin	16,000	21,800	19,800
Missouri	1,100	100	100
Delaware	2,200	3,200	4,200
Maryland	16,100	15,000	15,400
Virginia	4,900	4,500	6,300
North Carolina	2,700	4,300	5,200
South Carolina	2,400	500	400
Georgia	1,900	200	200
Florida[1]	17,400	12,330	16,150
Tennessee	7,800	5,900	10,800
Mississippi	2,100	900	1,000
Arkansas	13,700	3,200	2,900
Louisiana	1,900	500	1,400
Oklahoma	5,400	1,300	1,300
Texas	10,700	7,700	6,500
Colorado	4,100	5,000	4,900
Utah	2,100	2,400	2,000
Washington	9,100	8,400	9,000
Oregon	36,800	51,700	56,200
California	8,300	8,200	13,200
Other states[2]	8,200	9,200	11,500
U. S. Total	232,200	239,930	269,150

[1] Sum of estimates by seasonal groups. [2] Ala., Idaho, Ill., Ind., Iowa, Ky., Minn., Mont., Nebr., N. J., N. M., Ohio, Vt., and Wyo.

Sweet Corn for Processing

A total of 1,596,700 tons of sweet corn for processing is indicated for 1953 on the basis of August 1 reports received by the Bureau of Agricultural Economics. This prospective 1953 production exceeds last year's 1,527,300 tons by about 5 percent and the 1942-51 average production of 1,181,100 tons by about 35 percent.

The 1953 preliminary estimate of acreage for harvest is 504,850 acres. This compares with 487,500 acres harvested last year and 467,290 acres for the 10-year average.

A yield of 3.16 tons per acre is indicated for 1953 on the basis of August 1 reports. This compares with 3.13 tons obtained last year and an average of 2.55 tons for the 1942-51 period.

State	10-year ave. 1942–51 (*tons*)	1952 Revised (*tons*)	1953 Indicated (*tons*)	Percent change from 1952
Maine	34,400	23,700	32,400	+37
N. H.	1,400	1,600	1,600	....
Vt.	2,300	2,300	2,600	+13
N. Y.	62,600	71,400	81,600	+14
Pa.	26,700	23,100	27,600	+19
Ohio	47,300	37,500	32,900	−12
Ind.	68,500	61,700	66,400	+8
Ill.	173,800	208,600	217,600	+4
Wis.	210,100	346,600	369,600	+7
Minn.	215,100	317,200	323,000	+2
Iowa	93,500	89,900	84,900	−6
Del.	10,300	12,800	12,500	−2
Md.	85,500	71,200	76,000	+7
Va.	1,700	2,200	2,600	+18
Idaho	26,700	47,500	47,000	−1
Utah	14,200	23,400	26,200	+12
Wash.	43,600	81,600	88,800	+9
Ore.	31,300	68,400	73,500	+7
Other states[1]	32,100	36,600	29,900	−18
U. S. Total	1,181,100	1,527,300	1,596,700	+5

[1] Ark., Colo., Mich., Mont., Nebr., N. J., Okla., S. D., Tenn., Texas, and Wyo.

Cabbage for Kraut

The August 1 indicated contract production of cabbage for sauerkraut is 129,500 tons, 48 percent more than the 87,700 tons for 1952 and 50 percent above the 10-year average of 86,200 tons, according to the Bureau of Agricultural Economics. This estimate covers production from acreage grown under contract. It does not cover open-market purchases of cabbage for kraut manufacture.

The contract acreage for harvest is larger this year than last in all of the important producing states. For the country as a whole, the contract acreage is 10,870 acres or 19 percent more than the 9,150 acres for 1952. Prospective yields per acre are better than a year ago in all of the important states and above average in all states except Indiana. For the United States the August 1 indicated yield is 11.91 tons compared with 9.58 tons in 1952 and a 1942-51 average of 9.60 tons.

No information is available at this time on the tonnage of 1953 crop cabbage that may be purchased on the open market for kraut manufacture. Last year kraut packers purchased

89,600 tons or 51 percent of their total supplies on the open market. For the preceding 10 years open-market purchases averaged 89,300 tons, which was also 51 percent of total supplies.

Total supplies of cabbage for both fresh market and kraut in the summer crop states are expected to total 266,500 tons. This is one percent more than the 263,800 tons produced in those states last year. The preliminary estimate of acreage of cabbage for harvest for fresh market and kraut in the early fall crop states is 50,750 acres. This is 6 percent more than the 47,880 acres in these states last year.

State	1952 Total[1] Revised	Contract[2] 1952 Revised	Contract[2] 1953 Indicated	Contract[2] Percent change from 1952
	(tons)	(tons)	(tons)	
New York	90,300	20,300	34,500	+70
Ohio	12,500	12,200	22,500	+84
Indiana	4,400	3,200	5,500	+72
Illinois	800	.....	.....	....
Michigan	2,800	2,500	3,100	+24
Wisconsin	37,800	24,800	37,400	+51
Minnesota	700	400	600	+50
Colorado	1,900	1,500	1,800	+20
Washington	4,100	3,700	4,400	+19
Other states[3]	22,000	19,100	19,700	+3
U. S. Total	177,300	87,700	129,500	+48

[1] Total production includes tonnage obtained from contract acreage (footnote 2) and tonnage purchased on the open market.

[2] Contract acreage includes acreage grown by packers on own or leased land as well as acreage under contract with growers.

[3] Fla., Iowa, Md., Mo., N. J., N. C., Ore., Pa., Tenn., Texas, Utah, and Va.

Tomatoes for Processing

The first estimate of the indicated 1953 production of tomatoes for processing, based on August 1 conditions, is 2,814,910 tons, according to the Bureau of Agricultural Economics. If realized, such a production would be 20 percent less than that for 1952 but only 6 percent under the 10-year average.

The indicated acreage for harvest —300,710 acres—is the smallest since 1933. This is 20 percent less than the 377,200 acres for 1952 and 36 percent under the 1942-51 average of 469,200 acres harvested.

The sharp reduction in acreage is partially offset by generally favorable yield prospects on August 1. Indicated yields per acre are above the 10-year average for all important producing states except a belt extending from Virginia westward through Tennessee, Arkansas, Missouri, Oklahoma, and Texas. For the country as a whole, the yield per acre, indicated by August 1 conditions, is 9.36 tons compared with the near-record 9.34 tons for 1952 and a 1942-51 average of 6.58 tons.

State	10-year ave. 1942-51	1952 Revised	1953 Indicated	Percent change from 1952
	(tons)	(tons)	(tons)	
N. Y.	163,300	236,900	172,000	−27
N. J.	223,400	187,000	211,000	+13
Pa.	166,500	177,500	187,800	+6
Ohio	180,700	207,000	206,000	....
Ind.	357,700	288,000	252,000	−12
Ill.	66,500	110,400	79,300	−28
Mich.	48,400	66,400	54,000	−19
Wis.	8,400	9,900	5,400	−45
Iowa	11,900	11,500	9,900	−14
Mo.	24,900	12,200	9,000	−26
Del.	42,800	31,200	27,300	−12
Md.	212,300	129,300	115,500	−11
Va.	99,000	54,400	33,600	−38
S. C.	3,800	500	600	+20
Fla.[1]	15,600	28,700	30,000	+5
Ky.	10,100	3,100	4,900	+58
Tenn.	10,500	4,000	2,800	−30
Ark.	30,500	14,400	7,200	−50
Okla.	3,400	300	300	....
Texas	57,900	21,600	8,000	−63
Colo.	26,700	25,500	21,600	−15
Utah	74,200	75,900	85,100	+12
Calif.	1,134,500	1,817,700	1,280,000	−30
Other states[2]	20,000	10,100	11,710	+16
U. S. Total	2,993,000	3,523,500	2,814,910	−20

[1] Sum of estimates by seasonal groups. [2] Ala, Ariz., Conn., Ga., Idaho, Kans., La., Minn., Miss., Nebr., N. M., N. C., Ore., Wash., and W. Va.

PROCUREMENT

Canned Beef for USDA

The Production and Marketing Administration, USDA, has announced purchase of 9,262,500 pounds of canned beef at an average price of 38.15 cents per pound, f.o.b. plant, during the week of August 3. The purchases were made with Section 32 funds. This raises total USDA purchases of canned beef to 31,483,000 pounds.

Invitations for Bids

QM Market Center System, 226 West Jackson Blvd., Chicago 6, Ill.

Veterans Administration—Procurement Division, Veterans Administration, Wash. 25, D. C.

The Walsh-Healey Public Contracts Act may apply to all operations performed after the date of notice of award if the total value of a contract is $10,000 or over.

The Veterans Administration has invited sealed bids to furnish the following:

SAUERKRAUT—5,250 dozen No. 10 cans, Grade A, or equivalent in No. 2½ or No. 2 cans. Bids due under S-63 by Aug. 25.

APRICOTS—500 dozen No. 10 cans, solid pack, Grade D, or equivalent in No. 2½ or No. 2 cans. Bids due under S-71 by Sept. 1.

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